

City of Gardner, Kansas
General Governmental Expenditures by Function*
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Culture and Recreation	Debt Service	Capital Outlay	Other Services	Total
1996	\$ 325,634	\$ 776,423	\$ 296,319	\$ 457,121	\$ 573,276	\$ 149,520	\$ 71,342	\$ 2,649,635
1997	373,201	923,444	340,344	434,156	929,306	418,175	90,017	3,508,643
1998	406,169	927,993	492,158	526,915	996,189	347,519	110,910	3,807,853
1999	486,428	1,094,611	453,368	548,526	1,336,442	1,303,471	82,014	5,304,860
2000	563,699	1,497,282	848,263	582,645	292,560	134,824	89,815	4,009,088
2001	1,730,428	1,319,402	841,594	798,394	299,939	688,108	12,000	5,689,865
2002	2,117,659	1,506,022	1,679,088	832,531	318,021	198,519	-	6,651,840
2003	588,524	1,710,856	1,345,077	828,581	809,959	362,917	-	5,645,914
2004	2,049,944	1,727,208	1,072,924	829,645	908,118	1,398,034	-	7,985,873
2005	2,170,591	2,059,613	925,613	935,986	1,149,937	2,781,890	-	10,023,630

* Includes General, Special Revenue and Debt Service Funds. Does not include interfund transfers.

General Government - includes Mayor and City Council, Administration, Economic Development, Finance, Utility Billing, Municipal Court, City Clerk/Human Resources, Support Services, Community Development Planning and Codes Administration, Public Works Administration, and Information Technology

Public Safety - Police, Fire Administration and Operations

Public Works - Public Work's Administration, Streets, and Engineering Departments

Culture and Recreation - Parks and Recreation's Administration, Maintenance, and Aquatics Departments

Debt Service - principal and interest payments on the City's non-utility general obligation debt and lease purchases

Capital Outlay - land, improvements to land, easements, buildings and improvements, vehicles, machinery, equipment, infrastructure, etc. that are used in operations and have useful lives extending beyond a single reporting period

City of Gardner, Kansas
General Governmental Revenues by Source*
Last Ten Fiscal Years

Year	Taxes	Intergovernmental	Licenses and Permits	Fines and Fees	Investment Earnings	Charges for Services	Other	Total
1996	\$ 953,409	\$	\$ 215,395	\$ 106,925	\$ 105,528	\$ 156,250	\$ 210,705	\$ 2,277,476
1997	1,170,493	754,419	334,384	118,015	66,792	211,126	263,701	2,918,930
1998	1,442,647	856,828	455,659	103,332	75,115	230,211	218,387	3,382,179
1999	1,621,094	1,352,282	431,109	146,126	136,180	211,822	627,517	4,526,130
2000	1,941,337	1,624,257	415,266	115,907	144,682	164,531	232,869	4,638,849
2001	2,590,954	403,072	589,070	129,166	88,312	250,978	125,945	4,177,497
2002	3,179,565	1,531,087	479,887	188,099	45,527	133,748	115,419	5,673,332
2003	4,427,981	1,554,867	687,140	204,886	42,693	161,889	187,708	7,267,164
2004	5,152,537	1,985,793	886,846	265,911	77,382	335,289	138,410	8,842,168
2005	5,969,908	2,174,424	942,495	282,659	219,409	423,579	182,716	10,195,190

* Includes General, Special Revenue and Debt Service Funds. Does not include interfund transfers.

Taxes - includes property tax, motor vehicle, special assessments, franchise tax, excise tax, transient guest tax, and local sales tax.

Intergovernmental - includes LAVTR, liquor tax, special highway aid, county/city revenue sharing and the City's portion of Johnson County's sales tax.

Licenses and Permits - includes building permits, zoning and inspection fees, park impact fees, user fees for facilities, and both business and non-business permits.

Fines and Fees - includes fines collected by the municipal court.

Investment Earnings - interest on City funds.

Charges for Services - athletic and recreation program fees, swimming lessons, and miscellaneous special event fees.

Other - CDBG grants, concessions, sales of land, oil royalties, copy fees, street signs, and other miscellaneous fees and reimbursements.

Source: City of Gardner Finance Department

City of Gardner, Kansas
General Governmental Tax Revenues By Source*
Last Ten Fiscal Years

Fiscal Year	Property Tax	LAVTR	County/City Revenue	Local Alcoholic Liquor Tax
1996	\$ 475,326	\$ 15,175	\$ 28,070	\$ 14,852
1997	555,654	17,350	34,834	19,682
1998	748,993	20,750	36,147	18,324
1999	905,660	34,872	48,176	26,367
2000	1,007,431	38,725	52,964	44,160
2001	1,262,844	44,749	54,854	49,542
2002	1,464,619	46,448	36,347	50,889
2003	1,715,962	-	-	58,326
2004	2,101,943	-	-	46,311
2005	2,311,209	-	-	50,248

* Includes General, Special Revenue and Debt Service Funds.

Notes:

Revenues reported are current year cash collections only and do not include receivable amounts generally included as "revenue" because they are collected during the 60 or 90 day period used as the "availability" criteria for revenue recognition in governmental funds.

Source: City of Gardner Finance Department

Property Tax - includes ad valorem, delinquent tax, motor vehicle tax, and special assessments.

LAVTR - Under K.S.A. Supp. 79-2959, all local taxing subdivisions other than school districts received money from the state's Local Ad Valorem Tax Reduction Fund (LAVTR). This fund received a percentage of total state sales and use tax collections. As a "demand transfer", this money was subject to appropriation each year by the State Legislature, and was eliminated by action of the Governor and State Legislature in 2003.

County/City Revenue - A portion of the State's Sales and Use Tax collections was apportioned to the County based on population and assessed value of the preceding year. The amount apportioned to the County was then shared with the City based on population. This demand transfer was eliminated by action of the Governor and State Legislature in 2003.

Local Alcoholic Liquor - K.S.A. 79-41a01 et seq., as amended, levies a 10% gross receipts tax on the sale of any drink containing alcoholic liquor, sold by a club, caterer or drinking establishment. The revenue is allocated 30% to the state and 70% to cities and counties where the tax is collected. Changes in the law resulted in the City receiving only 46 2/3% of the collections until such point that the City's population surpassed 6,000, at which point the City began to receive the full 70%. The City was recognized as surpassing the 6,000 population benchmark in 1999.

State Highway Aid - A portion of the State's "Special City and County Highway Fund," which receives a percentage of the State's motor fuel tax collections and property taxes on motor carriers, is distributed to cities on a per capita basis.

Sales Tax - includes local sales tax and the City's portion of Johnson County's sales tax.

Franchise Tax - includes gas, telephone, and cable television.

Transient Guest Tax - a percentage of gross receipts paid by transient guests for sleeping accommodations. First approved by the City in 1997 at 4%, with first collections received in 1998. In October 2002, the tax was increased to 6% and has remained at that rate thereafter.

Street Excise Tax - A tax levied by City ordinance on the act of platting real property for the purpose of raising general revenues to be used for general City projects or General Fund operations as approved by the Governing Body during the adoption of the City's annual budget. First approved in January 2000 at 13.6 cents per square foot of area. In November 2001, the tax rate was raised to 17 cents per square foot of area and has remained at that rate thereafter.

State Highway Aid	Sales Tax	Franchise Tax	Transient Guest Tax	Street Excise Tax	Total
\$ 105,197	\$ 688,534	\$ 98,291	\$ -	\$ -	\$ 1,425,445
119,186	825,895	123,026	-	-	1,695,627
153,986	1,053,418	92,843	23,632	-	2,148,093
193,537	1,212,629	129,592	28,919	-	2,579,752
205,840	1,374,524	130,470	28,855	27,450	2,910,419
263,500	1,558,283	194,482	36,492	457,295	3,922,041
293,422	1,719,166	172,322	23,716	470,117	4,277,046
313,286	2,048,241	248,753	30,137	1,262,563	5,677,268
331,942	2,705,209	273,078	31,150	1,211,458	6,701,091
356,835	3,024,028	337,916	34,338	1,455,739	7,570,313

City of Gardner, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years

Levy Year/ Year ¹	Amount of Levy	Current Year's Collections		Total Collections Including Delinquencies	
		Amount	Percent	Amount	Percent
2004/2005	\$ 2,327,047	\$ 2,051,680	88.2	\$ 2,093,436	90
2003/2004	1,921,275	1,845,505	96.1	1,904,440	99.1
2002/2003	1,558,697	1,492,539	95.8	1,594,789	102.3
2001/2002	1,425,221	1,344,550	94.3	1,389,129	97.5
2000/2001	1,189,377	1,108,494	93.2	1,142,952	96.1
1999/2000	1,005,360	927,268	92.2	934,110	92.9
1998/1999	764,015	736,438	96.4	750,656	98.3
1997/1998	642,282	623,375	97.1	627,516	97.7
1996/1997	468,000	450,547	96.3	466,006	99.6
1995/1996	385,000	384,391	99.8	391,821	101.8

¹ Source: Johnson County Treasurer's Office

City of Gardner, Kansas
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year	Real Property		Personal Property		State Assessed Utilities		Totals		Ratio of Taxable Assessed to Total Appraised (Est. Market) Value
	Taxable Assessed (Est. Market) Value ⁽¹⁾	Taxable Appraised (Est. Market) Value ⁽¹⁾	Taxable Assessed (Est. Market) Value ⁽¹⁾	Taxable Appraised (Est. Market) Value ⁽²⁾	Taxable Assessed Value	Taxable Appraised Value ⁽¹⁾	Total Taxable Assessed Value	Total Taxable (Est. Market) Value	
1996	\$ 16,824,025	\$ 126,776,755	\$ 2,899,260	\$ 11,403,756	\$ 1,983,196	unavailable	\$ 21,706,481	\$138,180,511	15.71%
1997	21,396,757	161,261,213	2,990,265	11,761,709	2,220,639	- unavailable	26,607,661	173,022,922	15.38%
1998	26,254,656	200,563,713	3,458,875	13,604,908	2,412,282	unavailable	32,125,813	214,168,621	15.00%
1999	33,711,204	260,145,052	4,245,895	16,700,520	2,472,199	8,749,182	40,429,298	285,594,754	14.16%
2000	42,963,214	336,464,237	5,501,395	21,638,820	2,451,170	8,699,461	50,915,779	366,802,518	13.88%
2001	51,257,322	402,334,372	5,742,119	22,585,668	2,512,253	9,074,492	59,511,694	433,994,532	13.71%
2002	59,206,774	455,850,465	5,468,351	21,508,847	2,981,465	10,672,081	67,656,590	488,031,393	13.86%
2003	67,431,497	528,739,375	5,619,516	22,103,430	3,427,483	12,166,639	76,478,496	563,009,444	13.58%
2004	75,733,190	599,197,877	5,871,110	23,093,033	2,824,390	10,421,927	84,428,690	632,712,837	13.34%
2005	89,188,797	709,906,345	5,931,852	23,331,951	3,127,877	11,271,077	98,248,526	744,509,373	13.20%

Sources: City of Gardner Finance Department and

(1) Johnson County Department of Records and Tax Administration - County Clerk's Office

(2) Johnson County Appraiser's Office

City of Gardner, Kansas
Assessed Valuation by Source
Last Ten Fiscal Years

History of Property Valuations

The following table illustrates the assessed valuation of the City - not including valuation of motor vehicles - for the years indicated:

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal</u>	<u>State Utilities</u>	<u>Total City Valuation</u>
1996	\$ 16,824,025	\$ 2,899,260	\$ 1,983,196	\$ 21,706,481
1997	21,396,757	2,990,265	2,220,639	26,607,661
1998	26,254,656	3,458,875	2,412,282	32,125,813
1999	33,711,204	4,245,895	2,472,199	40,429,298
2000	42,963,214	5,501,395	2,451,170	50,915,779
2001	51,257,322	5,742,119	2,512,253	59,511,694
2002	59,206,774	5,468,351	2,981,465	67,656,590
2003	67,431,497	5,619,516	3,427,483	76,478,496
2004	75,733,190	5,871,110	2,824,390	84,428,690
2005	89,188,797	5,931,852	3,127,877	98,248,526

Sources: City of Gardner Finance Department and Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
City Mill Rates
Last Ten Fiscal Years

<u>Fund Levies in Mills</u>	1996	1997	1998 ⁽¹⁾	1999	2000 ⁽²⁾	2001 ⁽³⁾	2002	2003	2004	2005
Gardner (City Fire) General Operating	18.521	21.041	19.768	19.674	18.693	18.758	19.822	20.882	20.952	21.038
Gardner (No City Fire) General Operating	17.938	20.403	—	18.036	—	18.758	—	—	—	—
Bond and Interest	3.146	3.116	4.170	4.150	4.078	4.092	3.032	3.032	3.042	3.054
Total City Mill Rate (Fire)	21.667	24.157	23.938	23.824	22.771	22.850	22.854	23.914	23.994	24.092
Total City Mill Rate (No Fire)	21.084	23.519	—	22.186	—	22.850	—	—	—	—

Note: One mill is \$1 of property tax for each \$1,000 of assessed valuation.

Source: Johnson County Department of Records and Tax Administration - County Clerk's Office.

(1) In 1998, there is no breakdown shown on record between "Gardner City Fire" and "Gardner No Fire."

(2) In 2000, there is no record shown for "Gardner No Fire." Instead, there is a breakdown listed for "Gardner Fire Prot Only." Although there is a small amount of valuation assigned to this taxing district, there is no corresponding mill rate, and the total mill rate shown for "Gardner Fire Prot Only" is zero.

(3) In 2001, although there is valuation assigned to both "Gardner City Fire" and "Gardner No Fire," the mill rates are the same for both. After 2001, there is no valuation assigned to anything except "Gardner City Fire."

City of Gardner, Kansas
Property Tax Mill Rates
Direct and Overlapping Governments
(Per \$ 1,000 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year	State of Kansas	Johnson County	Johnson County Library	Johnson County Parks and Recreation	Johnson County Community College	Gardner City ⁽¹⁾	U.S.D. 231 (School District)	Total
1996	1.500	16.590	3.478	1.620	8.946	21.667	71.733	125.534
1997	1.500	15.305	3.254	1.512	8.540	24.157	61.625	115.893
1998	1.500	14.345	3.174	1.437	7.746	23.938	67.514	119.654
1999	1.500	16.112	3.137	1.451	7.184	23.824	67.920	121.128
2000	1.500	15.676	2.981	1.322	7.646	22.771	75.318	127.214
2001	1.500	16.333	2.971	1.382	7.743	22.850	75.243	128.022
2002	1.500	16.221	2.948	1.602	9.428	22.854	75.494	130.047
2003	1.500	16.381	2.954	2.365	9.432	23.914	72.957	129.503
2004	1.500	16.041	2.956	2.367	9.438	23.994	73.008	129.304
2005	1.500	17.922	2.955	2.286	8.960	24.092	78.016	135.731

Note: One mill is \$1 of property tax for each \$1,000 of assessed valuation.

- (1) During some of these years, there were both "Gardner with City Fire" and "Gardner - No Fire" mill rates because there were portions of Gardner that were assessed for fire protection by the Johnson County Fire District. In the interest of consistency, only "Gardner with City Fire" rates are shown here for those years in which there were multiple "Gardner City" mill rates. These multiple "Gardner City" mill rates are shown in detail on the "City Mill Rates - Last Ten Fiscal Years" table in this section.

Source: Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
City and County Sales Tax Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City</u>	<u>County</u>	<u>Total</u>	<u>Percentage Increase</u>
1996	\$ 407,936	\$ 251,387	\$ 659,323	-
1997	491,708	299,889	791,597	20.06%
1998	613,217	392,896	1,006,113	27.10%
1999	655,534	489,899	1,145,433	13.85%
2000	751,386	548,238	1,299,624	13.46%
2001	801,536	666,095	1,467,631	12.93%
2002	845,572	764,770	1,610,342	9.72%
2003	879,594	789,248	1,668,842	3.63%
2004	1,113,936	851,743	1,965,679	17.79%
2005	1,191,684	932,949	2,124,633	8.09%

Source: City of Gardner Finance Department

City of Gardner, Kansas
Special Assessment Billings, Collections, and Delinquencies
Last Ten Fiscal Years

<u>Levy Year/ Budget Year</u>	<u>Amount Levied</u>	<u>Current Collections</u>	<u>Delinquent Collections</u>	<u>Total Collected</u>	<u>Percent Collected</u>
2004/2005	\$ 301,265	\$ 298,537	\$ 1,349	\$ 299,886	99.54%
2003/2004	125,036	123,099	163	123,262	98.58%
2002/2003	64,333	62,179	687	62,866	97.72%
2001/2002	77,844	77,511	2,298	79,809	102.52%
2000/2001	35,186	34,922	522	35,444	100.73%
1999/2000	38,198	37,135	88	37,223	97.45%
1998/1999	37,325	37,286	157	37,443	100.32%
1997/1998	38,841	38,793	15,036	53,829	138.59%
1996/1997	38,550	38,484	4,021	42,505	110.26%
1995/1996	68,535	66,824	1,640	68,464	99.90%

Source: Johnson County Treasurer's Office

City of Gardner, Kansas
Principal Taxpayers
1995 and 2005

2005

<u>Taxpayer</u>	<u>Class/Type of Property</u>	<u>2005 Taxable</u>	<u>% of Total</u>
Martens Rentals I, L.L.C.	Real Estate	\$ 1,612,870	1.64%
C.L.S. Investment Company	Real Estate	1,240,631	1.26%
DJC Properties, L.L.C.	Grocery Store	914,358	0.93%
Moonlight Plaza, L.L.C.	Shopping Mall	683,075	0.70%
Woodstone Apartments, L.P.	Apartments	650,705	0.66%
Gardner, L.L.C.	Manufacturing - Plastics	606,050	0.62%
Mid-America Products	Manufacturing - Plastics	560,924	0.57%
First Choice Properties, Inc.	Real Estate	480,425	0.49%
Lincoln Terrace Townhomes	Townhomes	470,074	0.48%
Cramer Products, Inc.	Real Estate	431,233	0.44%
Total		<u>\$ 7,650,345</u>	<u>7.79%</u>

1995

<u>Taxpayer</u>	<u>Class/Type of Property</u>	<u>1995</u>	<u>% of Total</u>
Ray, Jerry W.	Real Estate	\$ 63,541	0.29%
Goss, David A.	Unavailable	61,700	0.29%
Gardner Housing Partnership	Real Estate	60,789	0.28%
Lewis, Everett M.	Unavailable	56,383	0.26%
Pizza Hut	Restaurant	52,628	0.24%
Bruce Furniture	Retail	50,878	0.24%
Crist, Raymond	Auto Body Repair	47,911	0.22%
West, Robert S.	Unavailable	46,976	0.22%
Farmers Cooperative	Retail	46,725	0.22%
Casey's General Store	Retail	45,050	0.21%
Total		<u>\$ 532,581</u>	<u>2.47%</u>

Source: Johnson County Clerk's Office

City of Gardner, Kansas
 Computation of Legal Debt Margin
 Comparison as of December 31, 2005 and as of December 31, 1995

	<u>2005</u>
2004 Total Equalized Assessed Tangible Valuation ^(a)	\$ 112,661,984
Debt Limit Ratio	30%
Debt Limit	33,798,595
Outstanding Debt Subject to Debt Limit	<u>(14,375,447) ^(b)</u>
Debt Authority Remaining December 31, 2005	<u>\$ 19,423,148</u>

^(a) The 2004 Total Equalized Assessed Tangible Valuation consists of the taxable assessed value of real estate, personal property and utilities plus the equalized value of motor vehicles.

^(b) December 31, 2005 G.O. Bonds and Temporary Notes Outstanding	\$ 52,944,142
Less: Bonds or Notes for Utility Improvements, Refunding, and Revenue Debt	<u>(38,568,695)</u>
Total Outstanding Debt Subject to Debt Limit as of December 31, 2005	<u>\$ 14,375,447</u>

NOTE: G.O. Bonds and temporary notes issued to finance utility improvements, revenue bonds, and refunding bonds are not subject to the debt limit.

	<u>1995</u>
1994 Total Equalized Assessed Tangible Valuation ^(a)	\$ 25,746,356
Debt Limit Ratio	30%
Debt Limit	7,723,907
Outstanding Debt Subject to Debt Limit	<u>(390,000)</u>
Debt Authority Remaining December 31, 1995	<u>\$ 7,333,907 ^(b)</u>

^(a) The 1994 Total Equalized Assessed Tangible Valuation consists of the taxable assessed value of real estate, personal property and utilities plus the equalized value of motor vehicles.

^(b) December 31, 1995 G.O. Bonds and Temporary Notes Outstanding	\$ 7,435,000
Less: Bonds or Notes for Utility Improvements, Refunding, and Revenue Debt	<u>(7,045,000)</u>
Total Outstanding Debt Subject to Debt Limit as of December 31, 2005	<u>\$ 390,000</u>

NOTE: G.O. Bonds and temporary notes issued to finance utility improvements, revenue bonds, and refunding bonds are not subject to the debt limit.

Source: City of Gardner Finance Department

City of Gardner, Kansas
Ratio of Net General Obligation Bonded Debt to Assessed
Value and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	City Assessed Value ⁽²⁾	Outstanding G.O. Debt End of Year*	Debt Service Fund Balance Available	Net G.O. Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1996	5,930	\$ 21,706,481	\$ 9,375,000	\$ 1,438	\$ 9,373,562	43.18%	\$ 1,580.70
1997	6,580	26,607,661	9,130,000	2,479	9,127,521	34.30%	1,387.16
1998	7,232	32,125,813	10,430,000	26,740	10,403,260	32.38%	1,438.50
1999	8,538	40,429,298	9,950,000	24,394	9,925,606	24.55%	1,162.52
2000	9,396	50,915,779	11,590,000	69,045	11,520,955	22.63%	1,226.16
2001	10,319	59,511,694	20,720,000	193,608	20,526,392	34.49%	1,989.18
2002	11,084	67,656,590	19,525,000	329,980	19,195,020	28.37%	1,731.78
2003	12,429	76,478,496	20,850,000	488,565	20,361,435	26.62%	1,638.20
2004	14,318	84,428,690	23,355,000	313,625	23,041,375	27.29%	1,609.26
2005	16,199	98,248,526	25,375,000	258,152	25,116,848	25.56%	1,550.52

* Includes debt service on general obligation debt paid by the enterprise funds

Sources: (1) City of Gardner Finance and Community Development Departments

(2) Johnson County Department of Records and Tax Administration - County Clerk's Office

City of Gardner, Kansas
Ratio of Annual Debt Service Expenditures for General
Obligation Debt to Total General Government Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service*</u>	<u>Expenditures</u>	<u>Ratio of Total</u>
1996	\$ 265,000	\$ 308,220	\$ 573,220	\$ 2,649,635	21.63%
1997	230,000	237,425	467,425	3,508,643	13.32%
1998	260,000	506,863	766,863	3,807,853	20.14%
1999	480,000	579,144	1,059,144	5,304,860	19.97%
2000	630,000	715,407	1,345,407	4,009,088	33.56%
2001	670,000	582,483	1,252,483	5,689,865	22.01%
2002	1,690,000	931,450	2,621,450	6,651,840	39.41%
2003	1,800,000	793,319	2,593,319	5,645,914	45.93%
2004	2,365,000	835,288	3,200,288	7,985,973	40.07%
2005	2,655,000	901,562	3,556,562	10,023,630	35.48%

* Includes debt service on general obligation debt paid by the enterprise funds

Source: City of Gardner Finance Department

City of Gardner, Kansas
 Computation of Direct and Overlapping Bonded Debt
 General Obligation Bonds
 December 31, 2005

<u>Taxing Unit</u> ^(a)	<u>G.O. Debt</u> <u>As of 12-31-05</u>	<u>Debt Applicable to</u> <u>Value in City</u>	
		<u>Percent</u>	<u>Amount</u>
Overlapping:			
U.S.D. No. 231 (Gardner)	\$ 81,575,000	40.40%	\$ 32,956,300
Johnson County	133,937,359 ^(b)	1.20%	1,607,248
Johnson County Park & Recreation	5,240,000	1.20%	62,880
Johnson County Community College	13,270,000	1.20%	<u>159,240</u>
Total Overlapping Debt			34,785,668
Direct:			
City of Gardner	49,196,260 ^(c)	100.00%	<u>49,196,260</u>
Total Direct and Overlapping Debt			\$ 83,981,928

(a) Only those taxing units which have general obligation debt outstanding are shown here.

(b) Excludes general obligation debt supported by revenues and revenue debt and includes \$ 95,410,000 (including \$ 28,260,000 Lease Purchase Revenue Bonds, Series 2005A, dated November 15, 2005) of lease purchase revenue bonds issued by the Public Building Commission of Johnson County (PBC) which are payable solely from lease payments received by the PBC from the County. Also includes \$ 1,245,000 of the Internal Improvement Bonds, Series 2005A dated November 15, 2005.

(c) This amount represents the City's total obligations outstanding, excluding State Revolving Loans, and excluding \$ 258,152 in debt service funds on hand as of December 31, 2005, which includes money to pay both principal and interest.

Source: Springsted, Inc., the City's Financial Advisor

City of Gardner, Kansas
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Public School Enrollment ⁽²⁾	Per Capita Personal Income ⁽³⁾	Average Annual Wage ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
1996	5,930	2,102	\$ 34,423	\$ 28,105	3.0%
1997	6,580	2,275	35,850	30,234	2.3%
1998	7,232	2,344	38,895	31,905	2.6%
1999	8,538	2,501	40,897	33,067	1.9%
2000	9,396	2,670	44,170	34,967	2.4%
2001	10,319	2,879	43,726	36,840	3.4%
2002	11,084	3,097	43,652	37,718	4.3%
2003	12,429	3,215	43,912	37,707	4.5%
2004	14,318	3,401	unavailable	unavailable	4.9%
2005	16,199	3,593	unavailable	unavailable	4.5%

Sources: City of Gardner Finance Department and

- (1) from the "Population Trend" table in this section provided by City of Gardner Community Development Department.
- (2) from the Kansas State Department of Education website at www.ksde.org.
- (3) information for Johnson County, Kansas. Provided by Southwest Johnson County Economic Development Corporation from the U.S. Bureau of Economic Analysis.
- (4) "Average Annual Wage - Historical - All Manufacturing Sector Jobs" for Johnson County, Kansas. Provided by Southwest Johnson County Economic Development Corporation from the U.S. Census Bureau - County Business Patterns.
- (5) "Unemployment - Historical" for Johnson County, Kansas. Provided by Southwest Johnson County Economic Development Corporation from Johnson County Economic Research

City of Gardner, Kansas
Construction Permits, Valuation and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	New Residential Construction *						New Commercial Construction *						Bank Deposits as of June 30 ⁽¹⁾
	Single-Family			Duplex and Multi-Family			Non-Public			Public			
	Permits	Valuation	Units	Permits	Valuation	Total New Residential Valuation	Permits	Valuation	Permits	Valuation	Total New Commercial Valuation		
1996	192	\$ 12,391,128	8	2	\$ 290,080	\$ 12,681,208	7	\$ 1,765,836	0	\$ -	\$ 1,765,836	\$ 81,157	
1997	172	11,613,225	34	17	1,279,264	12,892,489	6	1,553,691	0	-	1,553,691	87,376	
1998	285	18,563,832	160	63	8,924,168	27,488,000	6	1,220,416	1	20,000,000	21,220,416	88,311	
1999	257	20,883,839	136	50	8,324,466	29,208,305	4	1,845,152	5	1,975,540	3,820,692	97,792	
2000	186	17,911,249	74	22	5,689,460	23,600,709	5	2,990,952	2	9,000,000	11,990,952	104,014	
2001	167	15,154,786	56	14	2,986,096	18,140,882	9	2,171,332	3	16,645,000	18,816,332	113,169	
2002	271	24,048,628	113	26	6,494,000	30,542,628	9	2,331,032	2	2,846,535	5,177,567	115,355	
2003	353	36,625,590	194	60	13,920,026	50,545,616	5	3,685,000	1	8,000,000	11,685,000	123,590	
2004	443	48,153,189	120	37	8,120,516	56,273,705	10	2,721,615	0	-	2,721,615	146,329	
2005	399	44,871,874	128	37	8,014,544	52,886,418	10	19,119,000	3	21,000,000	40,119,000	144,682	

* Source: City of Gardner Community Development Department

(1) Amounts expressed in thousands

Source: FDIC website at www.FDIC.gov

City of Gardner, Kansas
Financial Indices
Last Ten Fiscal Years

Fiscal Year	1996	1997	1998
INDEX:			
Population	5,930	6,580	7,232
Assessed Valuation	\$ 21,706,481	\$ 26,607,661	\$ 32,125,813
Total Expenditures	6,554,589	7,563,032	8,618,763
Total Debt, December 31	23,800,217	23,466,024	25,010,214
Cash Balance, December 31	6,267,768	5,434,225	4,531,640
Tax Levy, in dollars	385,000	468,000	642,282
No. City Employees Full and Part Time Regular (FTE)	52	55	62
Assessed Value per capita	3,660	4,044	4,442
Total Debt per capita, Dec. 31	4,014	3,566	3,458
No. employees per 1,000 people	8.77	8.36	8.57
Tax Levy per capita	64.92	71.12	88.81
Expenditures as a % of Assessed Valuation	30.20%	28.42%	26.83%
Expenditures per capita	1,105	1,149	1,192
City Debt as a % of Assessed Valuation	109.65%	88.19%	77.85%
Cash Balance as a % of Total Expenditures (Using Dec. 31 Cash Balance)	95.62%	71.85%	52.58%

Notes:

"Total Debt" includes principal outstanding on all G.O. and Revenue Bonds, PBC Lease Revenue Bonds, all KDHE revolving loans, all temporary notes, and all capital leases.

"Cash Balance" includes all fund types.

1999	2000	2001	2002	2003	2004	2005
8,538	9,396	10,319	11,084	12,429	14,318	16,199
\$ 40,429,298	\$ 50,915,779	\$ 59,511,694	\$ 67,656,590	\$ 76,478,496	\$ 84,428,690	\$ 98,248,526
10,471,475	11,506,233	11,705,428	13,491,806	22,334,688	24,711,819	21,906,629
27,399,981	29,142,645	27,694,908	33,540,181	50,831,752	47,161,223	68,430,710
6,676,177	7,970,566	12,734,356	13,450,829	15,306,073	38,788,068	17,553,916
764,015	1,005,360	1,189,377	1,425,221	1,558,697	1,921,275	2,327,047
67	70	83	83	95	103	113
4,735	5,419	5,767	6,104	6,153	5,897	6,065
3,209	3,102	2,684	3,026	4,090	3,294	4,224
7.85	7.45	8.04	7.49	7.64	7.19	6.98
89.48	107.00	115.26	128.58	125.41	134.19	143.65
25.90%	22.60%	19.67%	19.94%	29.20%	29.27%	22.30%
1,226	1,225	1,134	1,217	1,797	1,726	1,352
67.77%	57.24%	46.54%	49.57%	66.47%	55.86%	69.65%
63.76%	69.27%	108.79%	99.70%	68.53%	156.96%	80.13%

City of Gardner, Kansas
Major Employers in the Gardner Area
December 31, 2005

Employer	Product/Service	Number of Full-time Employees
Sprint North Supply Co./Sprint Western Operations	Corporate headquarters & regional distribution center, telecommunications hardware	1,088
Johnson County Sheriff's Department	Correction facility	526
Stouse, Inc.	Label & decal manufacturer	370
Danisco USA, Inc.	Manufacturer of emulsifiers stabilizers, enzymes and flavors for bakery	285
Vestcom	Manufacturer of bar code labels	185
Unilever Bestfoods, Inc.	Food products manufacturer	185
Kerry Sweet Ingredients, Inc.	Confectionary food products manufacturer	160
C.F.S. West Foods, L.L.C.	Manufacturer of margarine and mayonnaise	135
Aeroflex	Manufacturer of aviation test equipment	132
Johnson County Adult Residential Treatment Facility	Community corrections/work release facility	120

Source: Southwest Johnson County Economic Development Corporation, July 2005

City of Gardner, Kansas
Population Trend
December 31, 2005

<u>Year</u>	<u>Population</u>	<u>Increase</u>	<u>Percent</u>
1930	493	—	—
1940	510	17	3.45%
1950	676	166	32.55%
1960	1,619	943	139.50%
1970	1,839	220	13.59%
1980	2,290	451	24.52%
1990	3,191	901	39.34%
1995	5,359	2,168	67.94%
1996	5,930	571	10.65%
1997	6,580	650	10.96%
1998	7,232	652	9.91%
1999	8,538	1,306	18.06%
2000	9,396	858	10.05%
2001	10,319	923	9.82%
2002	11,084	765	7.41%
2003	12,429	1,345	12.14%
2004	14,318	1,889	15.20%
2005	16,199	1,881	13.14%

Source: City of Gardner Community Development Department and City of Gardner Finance Department

City of Gardner, Kansas
Miscellaneous Statistics
December 31, 2005

Date of Incorporation	1887
Form of Government	Mayor-Council-Administrator
Number of employees (excluding Public Safety)	87
Exempt	16
Non-exempt	71
Area in square miles	9.39
City of Gardner facilities and services:	
Miles of streets	61.34
Number of street lights	1,009
Culture and Recreation:	
Community Centers	1
Parks	11
Park acreage	177.06
Miles of pedestrian paths	4.59
Swimming pools	1
Tennis courts	2
Golf course	1
Lakes	1
Public Safety Protection (department is combined police and fire):	
Number of stations	1
Number of public safety officers	26
Number of public safety reserve officers	14
Number of volunteer firefighters	13
Number of fire responses	333
Number of emergency medical responses	824
Number of patrol units	11
Number of police responses	8,732
Number of law violations:	
Physical arrests	650
Traffic tickets	3,366
Sewerage System:	
Miles of sanitary sewers	108.37
Miles of storm sewers	33.62
Number of treatment plants	3
Number of service connections	477

(Continued)

City of Gardner, Kansas
Miscellaneous Statistics
(Continued)
December 31, 2004

Daily average treatment in gallons	454,109
Bull Creek Plant	449,650
Kill Creek Plant	761,631
Package Plant	151,046
Maximum daily capacity of treatment plants in gallons:	
Bull Creek Plant	998,000
Kill Creek Plant	2,000,000
Package Plant	288,000
Water System:	
Miles of water mains	93.76
Number of treatment plants	2
Number of service connections	477
Number of fire hydrants	1,009
Daily average consumption in gallons	1,691,670
Maximum daily capacity of plants in gallons:	
Navy Plant	800,000
Hillsdale Plant	2,000,000
Electric Generation System:	
Number of generators	2
Number of hours run	409
Number of startups	47
Number of Mwh capability	28.5
Number of Mwh	98,000
Number of Mwh produced	4,870
Electric Distribution System:	
Miles of service	113
Number of distribution stations	2
Facilities and services not included in the primary government:	
Education:	
Number of elementary schools	4
Number of elementary schools instructors	126
Number of intermediate schools (combined 5th and 6th grades)	1
Number of intermediate school instructors	39
Number of junior high schools	1
Number of junior high school instructors	40
Number of high schools	1
Number of high school instructors	70



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor, City Administrator and City Council
City of Gardner, Kansas:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Gardner, Kansas (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Airport Association were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to that component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters that we have reported to management of the City in a separate letter dated April 7, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Berberich Trahan & Co., P.A.

April 7, 2006